

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3059-02
Bill No.: Perfected SS for SB 665
Subject: Education, Elementary and Secondary; Libraries and Archives;
 Telecommunications; Secretary of State
Type: Original
Date: March 15, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$24,130)	(\$26,544)	(\$27,200)
Total Estimated Net Effect on <u>All</u> State Funds	(\$24,130)	(\$26,544)	(\$27,200)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government*	(Unknown)	(Unknown)	(Unknown)

*Estimated to exceed \$100,000 annually.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

SECTIONS 182.825 and 182.827

Officials from the **Office of State Courts Administrator** assume the proposal would result in no fiscal impact to their agency.

Officials from the **Office of Attorney General** indicated in the introduced version of this proposal that the proposed legislation would have no fiscal impact on their agency.

Officials from the **Missouri River Regional Library** indicated there would be no fiscal impact to their library district. They already have a community policy in place that deals with the issue of restricting minors from gaining access to pornographic material.

Officials from the **Secretary of State's Office (SOS)** state Section 181.020(4), RSMo, directs the Missouri State Library to "furnish information and counsel as to the best means of establishing and maintaining libraries, selection of materials, cataloging, and other details of library management." To that end, the State Library employs staff within the Library Development Division to carry out this function through one on one consultation and training sessions. It is estimated that questions from public library directors, trustees, and those maintaining the software on library computers would require the services of the equivalent of a .5 FTE (\$18,366) Library Consultant.

SOS officials state it would not be possible to project a total cost of public libraries to install filtering software. Costs for filtering software vary widely by vendor and type, number of computer stations, and whether the software is installed on each "client" computer workstation or on a central server. The web pages of a sampling of filtering software vendors indicate approximate annual costs in the following ranges: \$150 for a site with 5 computers; \$500 to \$800 for 25 computers; and up to \$2,500 or more for a site with 125 computers. Several large library systems with many branches would have 100 or more computer stations requiring filtering software. Libraries choosing to install the filtering software on a server could also need to purchase suitable equipment for the installation. SOS officials also assume public libraries could have additional staff costs due to the legislation. Staff time required for installation, maintenance, and monitoring of filtering software could be significant.

Oversight assumes that many library districts and school libraries already have filtering devices in place and that many libraries have already implemented community policies that are an option in the proposed legislation.

ASSUMPTION (continued)

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued by the Office of the Secretary of State and the Department of Public Safety could require as many as 16 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$984 for FY 2003. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the Secretary of State could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the Secretary of State could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal would result in no direct fiscal impact to DESE. At the local school district level in the year 1999, DESE assumed the following:

- 1) 140,286 computers in Missouri school districts with internet connectivity.
- 2) 42% of districts report using filtering software on 85% of their computers.
- 3) The distribution of these computers across districts is not known.
- 4) Filtering software ranges in cost from \$0 to \$25. Additionally, software prices and capabilities vary according to the target age level.

Given this information, DESE believes the cost of this legislation would be significant, i.e., in excess of \$100,000; however, DESE does not feel there is enough information available to construct a specific estimate.

SECTIONS 43.653 through 43.659

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** state this proposed legislation would authorize the creation of the Missouri Regional Computer Forensic Lab.

MHP states the proposed legislation only authorizes the Patrol to create the "Missouri Regional Computer Forensics Lab". Since it does not require it, there would not be a fiscal impact. The actual creation of the lab would depend on the availability of federal grant money, not state money.

ASSUMPTION (continued)

Officials from the **Office of Administration** Divisions of **Office of Information Technology** and **Information Services** each state this proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Cost-Secretary of State's Office</u>			
Personal Service	(\$15,888)	(\$19,296)	(\$19,778)
Fringe Benefits	(\$5,649)	(\$6,948)	(\$7,122)
Expense and Equipment	<u>(\$2,793)</u>	<u>(\$300)</u>	<u>(\$300)</u>
Total <u>Cost</u> - SOS	(\$24,130)	(\$26,544)	(\$27,200)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$24,130)</u>	<u>(\$26,544)</u>	<u>(\$27,200)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
SCHOOL DISTRICTS			
<u>Cost-School Districts</u>			
Internet Access Filtering	(Unknown)	(Unknown)	(Unknown)
PUBLIC LIBRARIES			
<u>Cost-Public Libraries</u>			
Internet Access Filtering	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS*	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
*Estimated to exceed \$100,000 annually			

FISCAL IMPACT - Small Business

Small businesses that sell filtering software to schools and libraries could be affected by this proposed legislation.

DESCRIPTION

SECTIONS 182.825 and 182.827

This portion of the proposed legislation requires elementary and secondary public schools that provide a public access computer to either use filtering software, or to purchase Internet service through a provider that filters material that can be accessed in order to limit access to material that is pornographic for minors.

A public library that provides a public access computer would be required to do one or both of the following:

- 1) Use filtering software or purchase Internet connectivity from an Internet service provider that provides filter services to limit access to material that is pornographic for minors.
- 2) Develop and implement by January 1, 2003, policies that are consistent with community standard and that establish measures to restrict minors from gaining computer access to material that is pornographic for minors. The Secretary of State would be required to establish rules and regulations for the enforcement of these policies.

A public school or public school board member, officer or employee, including library personnel who complies with the provisions of the proposal shall not be liable if a minor gains access to pornographic materials through the use of a public access computer that is owned or controlled by the public school or public library.

SECTIONS 43.653 through 43.659

This portion of the proposal creates the Missouri Regional Computer Forensics Laboratory (RCFL). The RCFL will be under the control of the Director of the Missouri Department of Public Safety. It will combine local, state and federal resources to research and combat computer and Internet-related crimes.

This legislation is not federally mandated, would not duplicate any other program (although many libraries and school districts already have policies in place to ensure minors do not access certain materials and most search engines offer on-site filtering) and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

LMD:LR:OD (12/00)

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Department of Elementary and Secondary Education
Office of Secretary of State
 Administrative Rules Division
 Missouri State Library
Office of Attorney General
Office of State Courts Administrator
Missouri River Regional Library
Department of Public Safety
 Missouri State Highway Patrol
Office of Administration
 Office of Information Technology
 Division of Information Services

NOT RESPONDING

Daniel Boone Regional Library



Mickey Wilson, CPA
Acting Director
March 15, 2002